



CITY OF GERMANTOWN TENNESSEE

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October 26, 2012


Centers for Medicare & Medicaid Services (CMS)
Center for Consumer Information and Insurance Oversight (CCIIO)
ATTN: Jim Mayhew, HIPAA Opt-Out
200 Independence Avenue, SW
Room 733H-02
Washington, DC 20201

Dear Mr. Mayhew,

Please find enclosed a HIPAA Exemption Election document and a Notice to Enrollees of Election Under HIPAA.

The City of Germantown, by election of the Plan Administrator of the Health Plan, which is self-insured, hereby elects not to be covered by the provisions of HIPAA set forth in the attached notice to participants. This election is made in conformity with all the rules of the plan. The City certifies that the person signing below is legally authorized to do so.

Sincerely,


Patrick Lawton
City Administrator

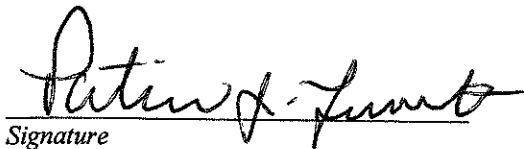
HIPAA Exemption Election Document

Name of Plan: City of Germantown Group Health Plan
Plan Sponsor: City of Germantown
EIN: 62-6014996 Plan Number 366
Plan Year: January 1 – December 31, 2013
Plan Administrator: City of Germantown
Address: 1930 Germantown Road South
Germantown, TN 38138

The City of Germantown Group Health Plan (hereinafter "the Plan") is not provided through insurance. The City of Germantown, as plan sponsor, elects under authority of section 2721 (b)(2) of the Public Health Service Act (PHS Act), and 45 C.F.R. 146.180 of Federal regulations, to exempt the Plan from the following HIPAA requirements and PHS Act, as amended.

1. Standards relating to benefits for mothers and newborns.
2. Parity in the application of certain limits to mental health benefits.

The election has been made in conformity with all the rules of the plan sponsor. I certify the undersigned is authorized to submit this election on behalf of the Plan. A copy of the notice to plan enrollees is enclosed.


Signature


Title

Notice to Enrollees
Of Election Out of Various Provisions of the
Health Insurance Portability and Accountability Act

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirements listed below. However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The City of Germantown has elected to exempt the City of Germantown Employee Medical Benefit Plan from the following requirements:

1. Standards relating to benefits for mothers and newborns.
2. Parity in the application of certain limits to mental health benefits.

The exemption from these Federal requirements will be in effect for the plan year beginning January 1, 2012 and ending December 31, 2012. The election may be renewed for subsequent plan years.

HIPAA also requires the Plan to provide covered employees and dependents with a "certificate of creditable coverage" when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer's health plan, or if you wish to purchase an individual health insurance policy.